

## **CHAPTER 2**

### **THE MAGNITUDE OF DEPOT MAINTENANCE**

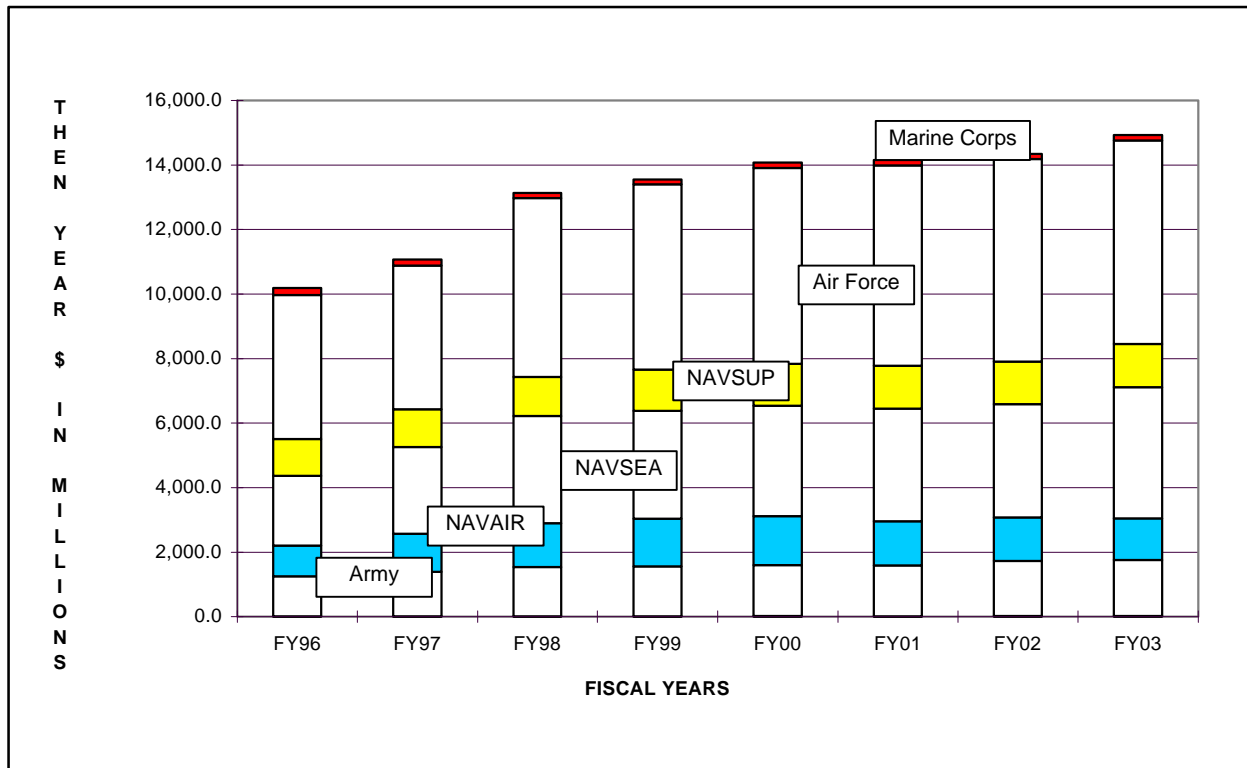
#### **2.1 ESTIMATED DEPOT MAINTENANCE EXPENDITURES**

Maintaining the large DoD inventory of equipment and weapon systems requires considerable expenditure of funds. The estimated expenditure to accomplish the depot maintenance mission is depicted in Chart 2-1 and Table 2-1. Both Chart 2-1 and Table 2-1 are reflective of the customer's perspective - the Service responsible for obtaining depot maintenance support of its assigned equipment from a variety of performing activities (which may include depots from its own Service, those of other Services, and contractors).

Table 2-1 provides the contract/organic split of the expenditure based on the data provided by the Services and the Defense Logistics Agency (DLA). The data in Chart 2-1 and Table 2-1 include funds for depot maintenance Interim Contractor Support (ICS) and Contractor Logistics Support (CLS).

The expenditure data in Chart 2-1 and Table 2-1 was submitted in response to a data call for the period FY96 through FY03. FY96 and FY97 data reflects actual Service expenditures for the accomplishment of depot maintenance. FY98 data is based on the Congressionally approved budget. FY99 is based on the President's Budget, and FY00-FY03 data is based on the Services' last Program Objectives Memorandum (POM) submissions. (Since the data was reported, NAVAIR has recomputed its projected depot maintenance expenditures to reflect a goal of contracting depot maintenance workloads to the maximum extent allowed by law by FY02. The revised data is not presented here, but is available through NAVAIR.)

**Chart 2-1**  
**Estimate of Depot Maintenance Expenditures**  
**(Then Year \$ in Millions)**



	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
<b>Army</b>	1,241.1	1,382.9	1,525.4	1,546.5	1,580.7	1,570.6	1,707.0	1,734.1
<b>NAVAIR</b>	948.9	1,173.8	1,353.2	1,470.6	1,514.3	1,372.1	1,342.5	1,293.9
<b>NAVSEA</b>	2,167.6	2,691.5	3,329.1	3,349.9	3,414.1	3,485.6	3,512.1	4,063.5
<b>NAVSUP</b>	1,143.7	1,171.0	1,209.1	1,278.7	1,304.9	1,324.3	1,319.2	1,336.1
<b>SPAWAR</b>	10.0	11.6	15.0	18.7	22.4	21.3	25.6	23.1
<b>Air Force</b>	4,450.3	4,445.1	5,544.1	5,728.4	6,061.7	6,210.7	6,278.1	6,306.0
<b>Marine Corps</b>	220.6	186.9	151.5	156.7	172.3	163.2	165.3	166.1
<b>DLA</b>	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Total</b>	10,182.3	11,063.0	13,127.6	13,549.7	14,070.6	14,148.0	14,350.0	14,923.0

**Notes:**

- DLA and SPAWAR amounts are included in Chart 2-1, but are not visible in the graph.
- Funds for depot maintenance ICS and CLS are included.
- Navy data excludes Military Sealift Command.
- Due to rounding, figures may not add exactly.

**Table 2-1**  
**Estimate of Depot Maintenance Organic and Contract Expenditures**  
**(Then Year \$ in Millions)**

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
<b>Army</b>								
Organic	838.0	812.6	914.1	940.3	941.5	927.6	1,052.9	1,111.5
Contract	403.1	570.3	611.3	606.2	639.2	643.0	654.1	622.6
<b>NAVAIR</b>								
Organic	578.2	688.1	814.9	911.0	933.3	835.1	821.3	801.4
Contract	370.7	485.7	538.3	559.6	581.0	537.0	521.2	492.5
<b>NAVSEA</b>								
Organic	1,518.2	1,667.4	2,370.4	2,137.8	2,315.7	2,290.6	2,417.5	2,848.8
Contract	649.4	1,024.1	958.7	1,212.1	1,098.4	1,195.0	1,094.6	1,214.7
<b>NAVSUP</b>								
Organic	718.4	727.7	737.7	779.5	792.7	806.4	820.5	835.1
Contract	425.3	443.3	471.4	499.2	512.2	517.9	498.7	501.0
<b>SPAWAR</b>								
Organic	2.4	4.7	5.2	6.6	10.4	9.4	10.1	8.8
Contract	7.6	7.0	9.7	12.1	12.1	11.9	15.5	14.3
<b>Air Force</b>								
Organic	2,869.9	2,643.9	3,081.8	3,196.0	3,428.5	3,415.9	3,456.2	3,402.2
Contract	1,580.4	1,801.2	2,462.3	2,532.4	2,633.2	2,794.8	2,821.9	2,903.8
<b>Marine Corps</b>								
Organic	172.7	170.4	146.0	152.9	171.2	162.4	165.2	166.0
Contract	47.9	16.5	5.5	3.8	1.1	0.8	0.1	0.1
<b>DLA</b>								
Organic	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Contract	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total Organic</b>	6,697.9	6,714.9	8,070.3	8,124.2	8,593.4	8,447.5	8,743.8	9,174.0
<b>Total Contract</b>	3,484.5	4,348.1	5,057.3	5,425.4	5,477.3	5,700.5	5,606.1	5,749.1
<b>TOTAL</b>	10,182.3	11,063.0	13,127.6	13,549.7	14,070.6	14,148.0	14,350.0	14,923.0

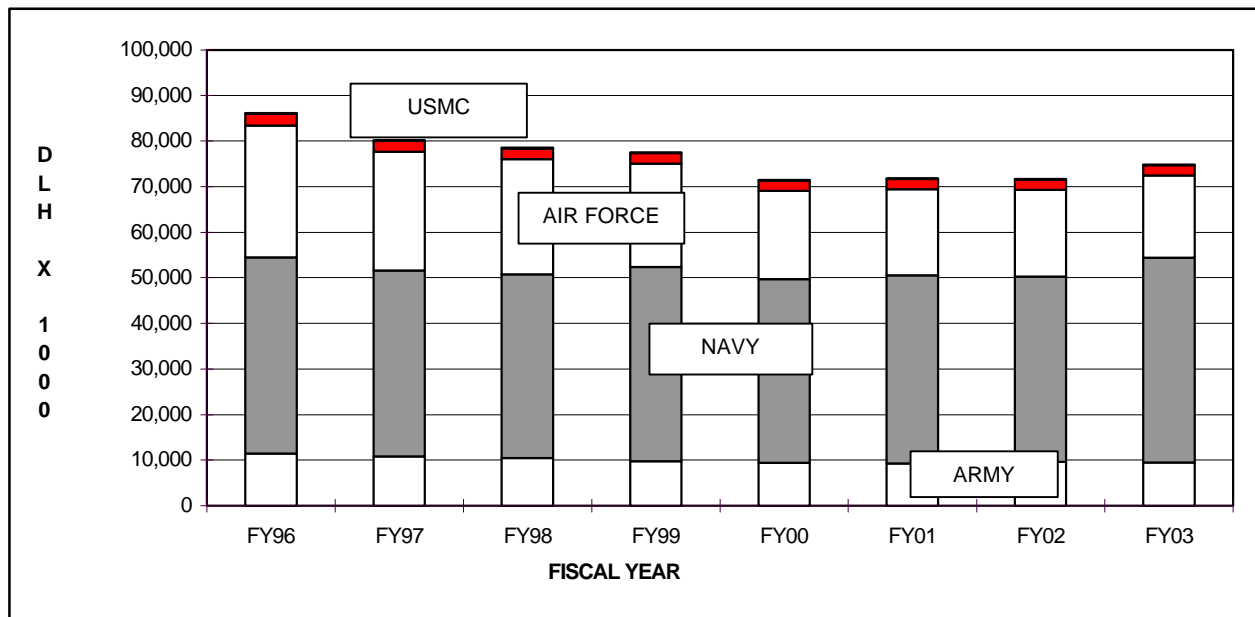
*Notes:*

- DLA's FY96 Organic expenditures were less than \$100K.
- NAVAIR data does not reflect revised computation to increase its use of contractor provided depot maintenance.
- Funds for depot maintenance ICS and CLS are included.
- Data is not to be construed as the 60/40 or 50/50 Reports.
- Due to rounding figures may not add exactly.

## 2.2 ORGANIC WORKLOAD

Chart 2-2 shows the organic workload trend for FY96-FY03 in direct labor hours (DLH) from the Agent Service's perspective--the organizational activity which performs depot-level maintenance support to a variety of customers (which may include its own Service, other Services, and other Federal Agencies). The data reflects workload from all funding sources (i.e., Agent Service Operations and Maintenance (O&M); Procurement, Research, Development, Test, and Evaluation (RDT&E) appropriations, Agent Service stock fund; and reimbursables such as other Services and Foreign Military Sales (FMS) customers).

**Chart 2-2**  
**Joint Service**  
**Organic Workload (DLH 000)**



SERVICE	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03
Army	11,414	10,831	10,479	9,715	9,357	9,222	9,587	9,448
Navy	43,068	40,727	40,282	42,630	40,313	41,329	40,640	44,969
NAVSEA	28,553	28,428	26,612	28,515	26,195	27,211	26,721	31,048
NAVAIR	13,929	11,714	13,068	13,501	13,501	13,501	13,501	13,501
SPAWAR	586	585	602	614	617	617	418	420
Air Force	28,947	26,048	25,228	22,713	19,443	18,881	19,074	18,059
Marine Corps	2,609	2,419	2,380	2,294	2,245	2,249	2,251	2,251
DLA	152	145	158	156	154	151	149	147
<b>JOINT SERVICE</b>	<b>86,190</b>	<b>80,171</b>	<b>78,527</b>	<b>77,507</b>	<b>71,511</b>	<b>71,833</b>	<b>71,700</b>	<b>74,873</b>

Notes: NAVAIR, NAVSEA, and SPAWAR totals in Chart 2-2 are subsets of the Navy total. Due to rounding, figures may not add exactly.

Table 2-2 provides the organic workload data shown from the joint Service perspective sorted by major commodity.

**Table 2-2**  
**Joint Service Organic Workload by Major Commodity**  
**(DLH 000)**

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
<b>Aircraft Airframes</b>	14,382.0	14,203.7	14,086.1	14,379.3	14,122.3	13,188.3	13,088.3	12,800.3
<b>Aircraft Components</b>	15,509.8	13,680.1	14,945.0	13,635.8	11,223.6	12,000.6	12,414.1	11,663.8
<b>Engines (Gas Turbine)</b>	3,783.7	3,760.3	3,737.1	3,063.0	2,311.4	1,794.1	1,730.4	1,691.3
<b>Missiles &amp; Components</b>	1,788.7	1,826.1	1,868.1	2,005.6	1,926.1	1,743.4	1,840.3	1,845.5
<b>Amphibians</b>	753.6	662.7	937.7	972.8	1,007.1	970.4	1,006.3	1,006.3
<b>Ground Combat Vehicles</b>	4,084.5	3,765.0	3,671.3	2,381.9	2,205.0	2,374.7	2,600.8	2,705.4
<b>Ground &amp; Shipboard C-E</b>	4,377.6	3,884.2	4,143.7	4,119.4	4,110.5	4,079.0	3,835.5	3,647.0
<b>Automotive / Construction</b>	263.8	201.9	105.5	88.2	85.3	85.9	85.3	85.2
<b>Tactical Vehicles</b>	799.4	903.2	338.8	276.1	262.1	263.5	271.1	271.1
<b>Ground General Purpose</b>	256.9	168.6	39.8	194.3	55.4	52.9	69.1	52.0
<b>Ord., Weapons &amp; Munitions</b>	971.1	803.2	823.7	916.2	845.4	792.2	793.2	805.9
<b>Sea Systems</b>	27,403.5	27,271.8	25,490.4	27,271.2	25,008.2	26,093.2	25,602.2	29,908.2
<b>Software</b>	2,959.0	2,952.4	2,253.0	2,193.0	2,468.0	2,529.0	2,502.0	2,541.0
<b>Special Interest Items</b>	139.0	94.0	272.0	242.0	246.0	246.0	238.0	238.0
<b>Other</b>	2,289.3	1,974.6	1,809.0	1,801.8	1,722.9	1,689.9	1,718.7	1,788.2
<b>Associated Fabrication/Mfg.</b>	1,389.0	1,238.0	1,161.0	1,143.0	1,088.0	1,106.0	1,081.0	1,000.0
<b>Fleet Support / Field Support</b>	<u>5,039.0</u>	<u>2,781.0</u>	<u>2,845.0</u>	<u>2,824.0</u>	<u>2,824.0</u>	<u>2,824.0</u>	<u>2,824.0</u>	<u>2,824.0</u>
<b>TOTAL</b>	86,189.9	80,170.8	78,527.1	77,507.4	71,511.4	71,833.0	71,700.3	74,873.3

*Note: Due to rounding, figures may not add exactly*

## 2.3 CONTRACT WORKLOAD

Table 2-3 presents the contract workload shown from Table 2-1 from the joint Service perspective sorted by major commodity.

**Table 2-3**  
**Joint Service Contract Workload by Major Commodity**  
**(Then Year Dollars in Millions)**

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
Aircraft Airframes	842.3	892.9	1,101.2	1,188.8	1,210.0	1,071.5	1,264.2	1,322.4
Aircraft Components	1,078.2	1,347.6	1,605.0	1,604.4	1,692.7	2,078.5	1,870.2	1,893.1
Engines (Gas Turbine)	44.9	106.5	130.9	154.1	236.7	285.5	311.4	311.7
Missiles & Components	79.8	95.2	106.7	101.4	101.9	102.0	103.1	93.2
Amphibians	27.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ground Combat Vehicles	14.0	25.6	21.2	21.0	22.2	22.3	22.7	21.6
Ground & Shipboard C-E	157.3	189.0	266.3	284.9	274.2	177.3	200.9	202.3
Automotive/Construction Equipment	0.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0
Tactical Vehicles	25.0	7.9	8.5	8.4	8.9	8.9	9.1	8.6
Ground General Purpose	2.8	4.8	4.2	4.2	4.4	4.5	4.5	4.3
Ord., Weapons & Munitions	5.0	7.6	4.3	4.4	4.7	5.3	5.2	5.2
Sea Systems	778.6	1,071.3	1,059.9	1,324.9	1,212.9	1,303.5	1,174.2	1,285.8
Software	236.3	328.8	453.0	410.1	366.0	357.1	324.2	310.4
Other	193.0	268.7	293.9	318.5	342.6	284.0	316.4	290.2
Associated Fabrication/Mfg.	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>TOTAL</b>	<b>3,484.5</b>	<b>4,348.1</b>	<b>5,057.3</b>	<b>5,425.4</b>	<b>5,477.3</b>	<b>5,700.5</b>	<b>5,606.1</b>	<b>5,749.1</b>

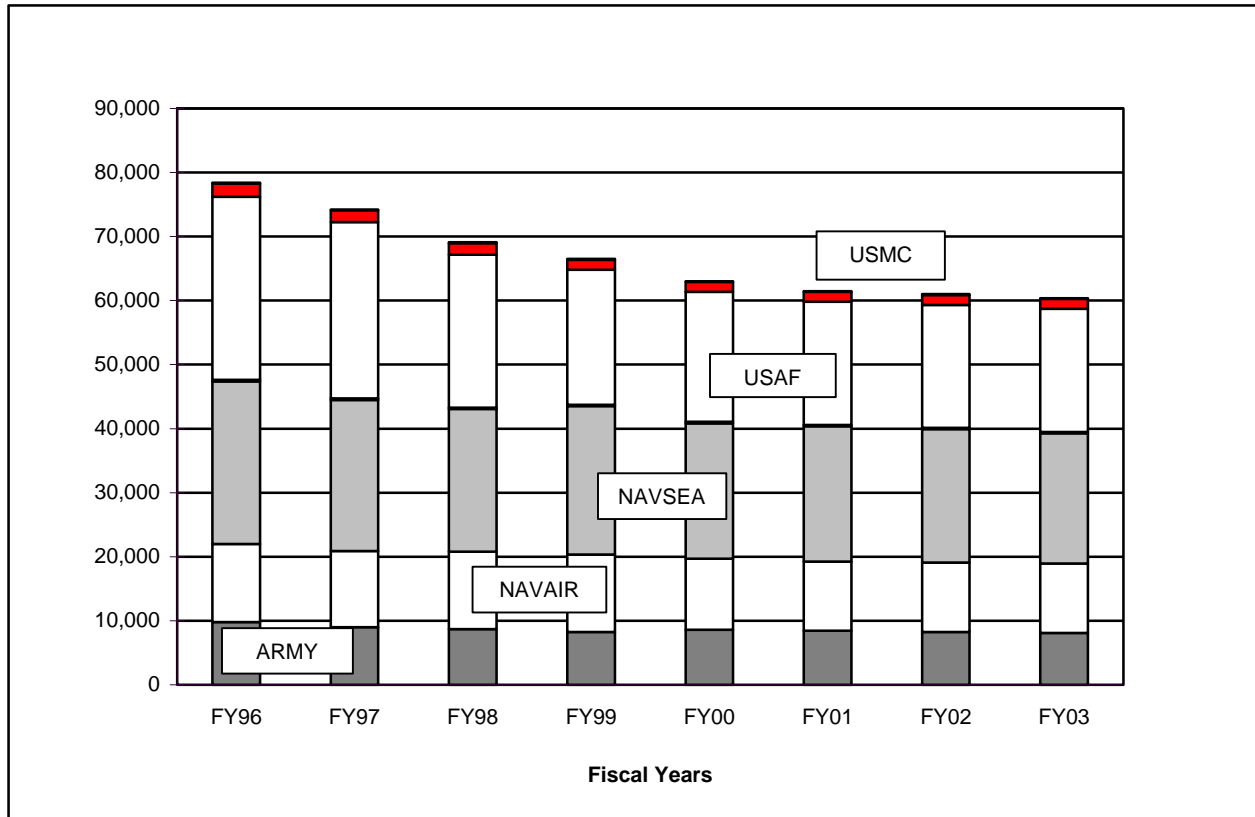
*Notes: Due to rounding, figures may not add exactly. Funds for ICS and CLS are included. Army FY97 through FY03 data included in the table reflect a pro-ration of FY96 levels by commodity.*

## 2.4 DEPOT MAINTENANCE PERSONNEL LEVELS

Chart 2-3 provides an overall view of the assigned depot maintenance personnel levels by Service for FY96 through FY03. The assigned depot maintenance personnel include permanent military and civilian personnel, both direct and indirect, and temporary and part-time personnel. The personnel data reflect the actual or projected end on board strength as of 30 September of the fiscal years. Appendix B provides the FY96-FY03 personnel levels by depot, broken out by direct and indirect and by military and civilian workers, when possible.

**Chart 2-3**

## Total Assigned Depot Maintenance Personnel



	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
<b>Army</b>	9,797	9,016	8,710	8,237	8,599	8,426	8,259	8,094
<b>NAVAIR</b>	12,170	11,890	12,080	12,091	11,079	10,830	10,830	10,830
<b>NAVSEA</b>	25,427	23,577	22,263	23,184	21,164	21,117	20,814	20,356
<b>SPAWAR</b>	227	227	226	226	223	220	202	201
<b>Air Force</b>	28,598	27,535	23,886	21,075	20,277	19,213	19,213	19,213
<b>Marine Corps</b>	2,035	1,848	1,818	1,556	1,556	1,556	1,556	1,556
<b>DLA</b>	129	129	128	126	125	123	121	118
<b>TOTAL</b>	<b>78,383</b>	<b>74,222</b>	<b>69,111</b>	<b>66,495</b>	<b>63,023</b>	<b>61,485</b>	<b>60,995</b>	<b>60,368</b>

*Notes: DLA and SPAWAR amounts are included in Chart 2-3, but are not visible in the graph. NAVSEA FY99 through FY03 data does not include Intermediate Maintenance Facility (IMF) personnel at Pearl Harbor Naval Shipyard under the pilot program that transitions maintenance capability to Mission Funding.*